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New Richmond Housing Needs Analysis Part 2

Analysis of the City of New Richmond's Housing Market

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Executive Summary

The overall goal of this study is to determine the current and projected conditions of the housing market in the City of New Richmond. The first task of Part 2 of the New Richmond Housing Needs Analysis was to analyze the housing market in the City of New Richmond. Once this analysis has been completed, it is then necessary to examine the projections for the city's population and housing characteristics in the short and long terms. With these analyses carefully calculated, the final task is then to provide recommendations for the city council and other city leaders on how to accommodate for the potential growth. After thorough analyzation, Part 1 of this study showed what comparison cities such as Hastings and Savage experienced throughout their bridge construction processes. The City of Hastings has experienced minimal to no growth as a result of the bridge whereas the City of Savage experienced substantial growth as a result of the bridge. As for the City of New Richmond, analysis previously completed by the Wisconsin Department of Administration predicts a standard population growth through 2040. The standard growth rate the Wisconsin Department of Administration calculated for the City of New Richmond is not in relation to the bridge project. This means the growth rate projected from the Wisconsin Department of Administration will come from sources other than the new bridge. Recommended actions for the City Council and leadership team in the City of New Richmond are derived from parts one and two of the Housing Needs Analysis.

The City of New Richmond is located in St. Croix County, which is projected to be the largest growing county in the state of Wisconsin through the year 2040 (Wisconsin Department of Administration, 2013). Nearby Wisconsin communities such as Hudson and Somerset, also located in St. Croix County, are similarly projected to see high growth potential. According to the U.S. Census Bureau, median home values in Hudson are the highest of the three, with a median home price of \$217,400. New Richmond offers the lowest median home price of \$197,100 while Somerset

home values fall in the middle. In terms of renter-occupied housing units, New Richmond also offers more affordable options. When choosing to rent in New Richmond, residents experienced lower renting costs on a monthly basis for their housing units than those renting in similar types of housing units in Somerset and Hudson in 2014 (U.S. Census Bureau).

In addition to comparison cities in western Wisconsin, New Richmond housing projections should also take into consideration cities located in Western Minnesota. The cities of Bayport, Oak Park Heights, and Stillwater are in the immediate vicinity of the new St. Croix River Crossing and may offer valuable insights. These communities are located in a much more densely populated area than the City of New Richmond. This means the housing markets in these communities may show significantly different characteristics than the City of New Richmond. More importantly, the cost of living in these three communities is significantly higher than living options in the City of New Richmond. Compared to similar options in the City of New Richmond, all three communities in Minnesota experienced higher median household prices in 2014. Stillwater had the highest median single family home value of \$233,000 in 2014, over 18% of the median New Richmond price. New Richmond also had much lower average monthly rent costs compared to the three Minnesota cities in 2014. Residents in renter-occupied housing units in New Richmond paid less rent on a monthly basis than those renting in the cities of Bayport, Oak Park Heights, and Stillwater in 2014 (U.S. Census Bureau).

It is not anticipated that the new St. Croix River Crossing will stimulate substantial growth in the short term. Growth is expected for the City of New Richmond; however, the growth may not be directly correlated to the new bridge. Planning for long term growth includes observing how communities in the northeast region of the Twin Cities metro area react in response to the completion of the bridge. New Richmond also has the opportunity to take advantage of a strong rental and single family housing market. Of the areas analyzed, New Richmond shows a strong

competitive advantage in the renter-occupied market as well as the single family home buying market. Housing prices have been steadily increasing since they reached their lowest point in 2012. The City of New Richmond could experience potential long term effects that could stem from the bridge construction. For short term effects, however, growth for the City of New Richmond may likely be from other factors.

Background

Replacing the Stillwater Lift Bridge, the new St. Croix River Crossing Bridge will bring more than just an easier commute to those who use it. Being in a new location as well as offering four lanes of traffic, the new bridge has the potential to boost local economies in the area. Areas in Wisconsin such as New Richmond, Houlton, Hudson, and Somerset could see a positive effect on their communities. The city of Hudson may not experience growth directly stemmed from the new St Croix River Crossing, but growth experienced from the bridge by nearby communities to Hudson such as New Richmond and Somerset could compliment growth in Hudson. Communities in Minnesota that may also see an impact include Stillwater, Bayport, and Oak Park Heights. The cities chosen to be conducted in this analysis are those that are located closest to the new bridge on both sides of the river. It is worth mentioning that communities outside of this range could also experience potential housing growth. However, in order to properly understand the direct impacts on the housing sectors of New Richmond, those communities closest to the new bridge location will be examined more closely. Part 1 of this study analyzed how bridge projects influenced similarly situated communities, such as Hastings and Savage. From Bryan Heth's analysis, it was determined that the city of Hastings witnessed very little impact on growth while the city of Savage experienced exceptional growth. Utilizing what these communities' experiences may offer the City of New Richmond a more clear perspective on possible outcomes for their own city. One determinant that plays a major role in the effects on each city is the amount of time that has passed since construction

of the bridge. Savage has almost 20 years of data available for analysis, with only two years of data to review for Hastings. It is possible that long-term effects have yet to be seen for either city, however relying too heavily on what other cities have seen or could see for growth can dissuade potential outcomes for New Richmond. Below are the objectives for Part 2 of the New Richmond Housing Analysis.

Objectives

The primary objectives for the study include:

- Determine demographic and economic characteristics of the households in the community
- Analyze median household income, population levels, and different types of housing in New Richmond
- Estimate short to mid-term housing demand in the City of New Richmond
- Utilize local housing developers' inputs regarding their future demand expectations
- Evaluate future projections regarding demographic and housing information
- Provide recommendations for city council and city leadership to accommodate for potential growth

Recent History

St. Croix River Crossing

The new St. Croix River Crossing has been a project under development for several decades now (MinnDOT, 2015). Much of that time was spent debating the costs, location, and impacts on the surrounding environment. In 2003, State Highway 35/64 transformed from a 2 lane highway to a 4 lane separated highway. This was in preparation of future plans for the new river crossing, but while this highway was being completed, negotiations were still being made on when to begin the bridge construction. Construction finished for the highway in 2003 and brought a much easier commute to

those who used it (Vierbicher Associates, Inc., 2005). Projections were made for the Average Annual Daily Traffic for State Highway 35/64 that show between 2000 and 2023, the traffic count using the bridge traveling from the City of New Richmond would increase by 50% from 8,760 to 12,260. From the City of New Richmond's perspective, this ties into the exceptional growth they have experienced since 2000. It is possible that projects such as the construction of State Highway 35/64 along with the new St. Croix River Crossing could bring even more growth in the long run.

City of New Richmond

While these negotiations were underway, the City of New Richmond was exceeding the State of Wisconsin's expectations in household development and population growth (U.S. Census Bureau, 2015). An analysis completed by Vierbicher Associates, Inc. concluded that starting in 1990, the City of New Richmond has consistently surpassed Wisconsin Department of Administration projections for household and population growth in each of the Census' Surveys of 1990, 2000, and 2010 (Vierbicher Associates, Inc., 2005). The City of New Richmond experienced an increase of 35% in the total number of households from 1990 to 2010. The State of Wisconsin only averaged a growth of 13% in total households during the same timeframe. Narrowing down to specific types of housing, the City of New Richmond has seen consistent growth of demand for Single Family homes, Multi-family homes, and Townhomes since 2000. In terms of housing development, Single Family homes were the most numerous, holding 59% of the total number of households in 2000. Multi-unit structures ranging from 2 units to 20 units accounted for 35% of the remaining housing units in 2000 (U.S. Census Bureau, 2015). These numbers will be compared to the City of New Richmond's current stock in 2015 later on in this report. As recent history shows, if the City of New Richmond has surpassed growth projections for the previous three Census surveys, it is possible this trend could continue further into the future. There are benefits to understanding an optimistic approach alongside typical growth rates in order to be better prepared for future development. This will be further discussed throughout this analysis.

Demographics

The following data details the basic demographics for the City of New Richmond.

Current Population by Age

The City of New Richmond has a current population of 8,715 people for the year 2015 (City of New Richmond, 2016). About 69.5% of the population is above the age of 18, while 11.3% of the population is 65 years of age or older (Census Bureau, 2015). With the median age in New Richmond being 33 years old, it is estimated that 44.5% of the population is between the ages of 15 and 44. The labor force in New Richmond consists of about 70% of the population, totaling about 6,100 people in 2014 (American Community Survey, 2014). The labor force in New Richmond consists of residents willing and able to work over the age of 16. Table 1 below displays a more accurate demographic of the age distribution for the City of New Richmond for the year 2014.

Table 1: Population Distribution for the City of New Richmond, WI 2014

	Estimate of Total Population	Percent
Total Population	8,501	-
Male	4,131	48.6%
Female	4,370	51.4%
Age (Median = 33)		
0-5 years	726	8.5%
5-9 years	820	9.6%
10-14 years	587	6.9%
15-19 years	832	9.8%
20-24 years	313	3.7%
25-34 years	1,282	15.1%
35-44 years	1,353	15.9%
45-54 years	735	8.6%
55-59 years	455	5.4%
60-64 years	436	5.1%
65-74 years	428	5.0%
75-84 years	391	4.6%
85+ years	143	1.7%
18+ years	5,904	69.5%
21+ years	5,474	64.4%
65+ years	962	11.3%

Source: American Community Survey 2014

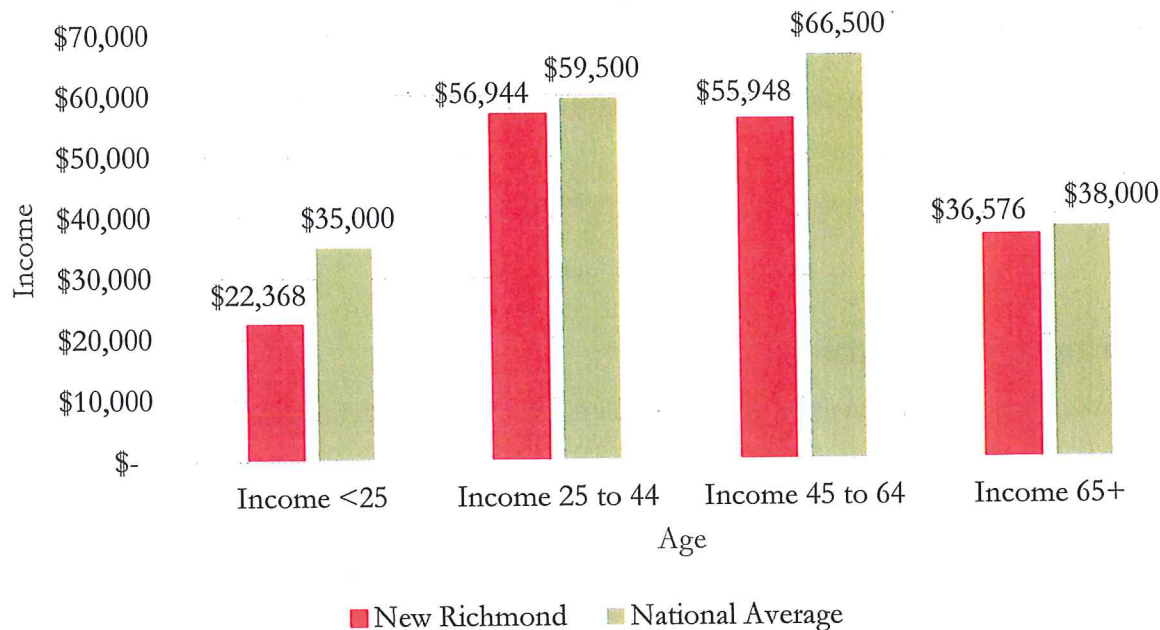
The New Richmond school district currently enrolls 3,212 students, making it the second highest enrollment total for a school district in the county, behind Hudson's 5,597 (HomeFacts, 2015). Each classroom at the school district holds an average of 17 students, slightly above the state of Wisconsin average of 15 students per classroom. New Richmond was able to expand and develop a brand new high school campus in 2010. Voters in the New Richmond district passed a \$92 million referendum in 2007. \$57 million of that amount was allocated to covering the cost of the new high school. This referendum was considered the largest school construction referendum ever passed in Wisconsin at the time (Wisconsin Radio Network, 2010). With a new high school having been completed for 5 years, the New Richmond high school has seen consistent growth in enrollment since the construction completed in 2010. A total of 850 students were enrolled in the New Richmond high school in 2010, today that total has surpassed 967. This means that the New Richmond high school has experienced an annual increase of 3% of students from 2010 to 2015. According to the Wisconsin Radio Network, the new high school has a maximum capacity of 1,200 students. If the annual growth rate of 3% were to remain consistent in the coming years for the New Richmond high school, the new school would reach the maximum capacity of students in 2025. In order to prepare for this growth, the New Richmond district would need to decide on appropriate measures of how to expand the high school campus to allow for more students by 2025.

Households by Income and Size

The mean household income in the City of New Richmond in 2013 was \$45,735, about \$4,700 below the state average of \$52,413 and roughly \$8,200 under the national average of \$53,046. Figure 1 shows the median household income distribution for the City of New Richmond amongst four different age groups each compared to the national average. Those under the age of 25 earned the lowest median income, generating less than \$23,000 in household income, whereas those in or nearing retirement age of 65 earn about \$36,000 a year in median income. As noted in Figure 1, those between the ages of 25 and 64 earn between \$55,000-56,000 a year. For the year 2013, the

average hourly wage of New Richmond residents approximates to \$22.71 (U.S Census Bureau, 2015).

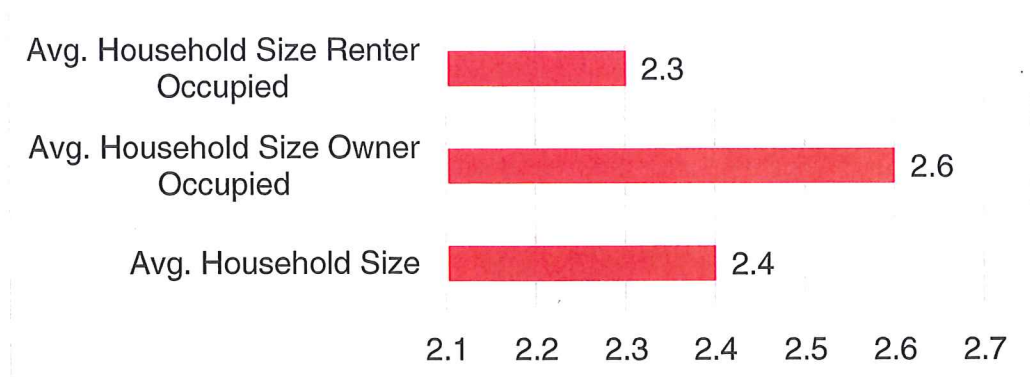
Figure 1: Household Income Distribution for New Richmond, WI in 2013



Source: American Community Survey 2014

The average household size in New Richmond consists of 2.4 residents, the same as that of the state average. To break this down further, homeowner households have an average size of 2.6 residents whereas renter-occupied households have 2.3. The size of the average family in New Richmond is 3.2 members (American Community Survey, 2014). Figure 2 offers a visual representation of average household size information as well as the median number of rooms in each household. Keeping this information in mind, the City of New Richmond can use this information alongside future household and population projections. Later on in this report, these averages will be used in calculating future household growth as well as population projections.

Figure 2: Household Size Statistics for New Richmond, WI in 2014



Source: Areavibes.com

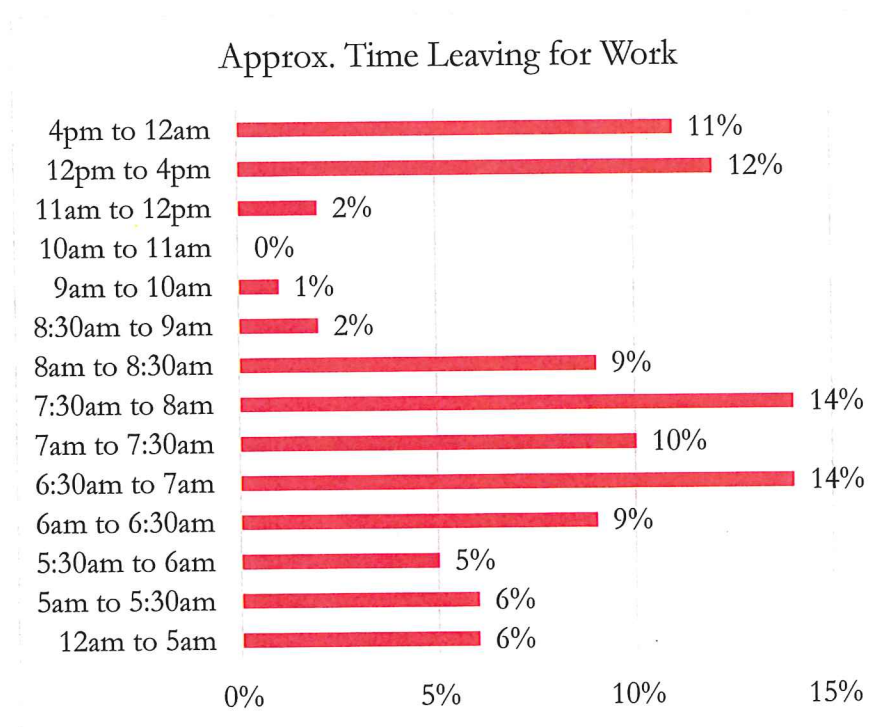
Commuting Patterns

Currently, residents who commute to work from the City of New Richmond spend a one-way average of 22 minutes on the road (ZoomProspector). Approximately 47% of residents residing in the City of New Richmond commute into the Twin Cities. Of those that commute into the Twin Cities for work, 87% of commuters drive alone. Those choosing to carpool account for 7% of the total number of commuters in the City of New Richmond (U.S. Census Bureau).

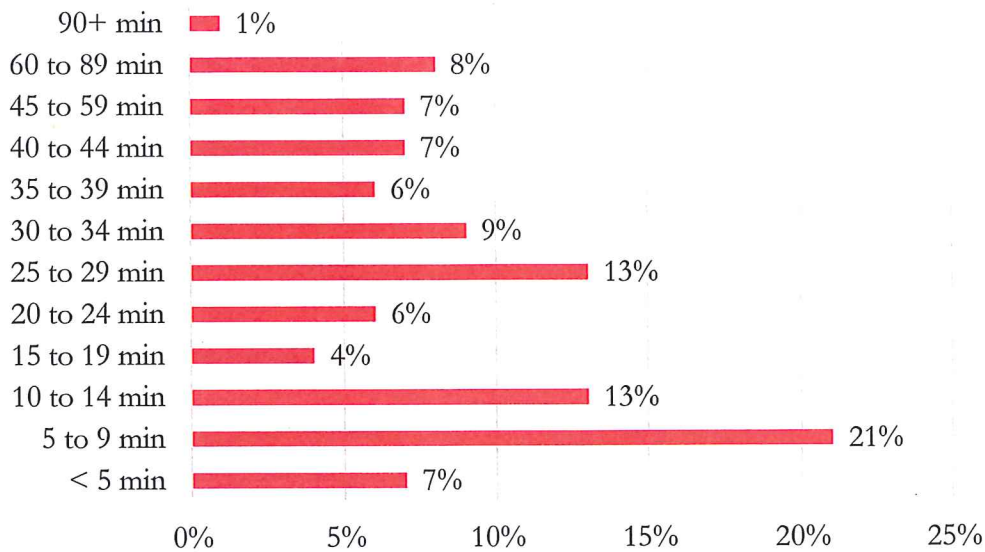
Compared with the nearby communities such as Somerset and Star Prairie, the City of New Richmond experiences slightly shorter commute times into the Twin Cities. The nearby city of Somerset sees commute times between 31-34 minutes, while the town of Star Prairie experiences commute times into work between 29-34 minutes. Although some residents in the Town of Star Prairie travel through New Richmond to get to the Twin Cities, other residents choose an alternative route that takes them north of New Richmond. According to the U.S. Census Bureau, residents in the City of Stillwater experience a commute of 23 minutes into the Twin Cities, only 2 minutes shorter in comparison to New Richmond residents. Residents living in the city of Oak Park Heights and Bayport experience a 24-minute commute into work (U.S. Census Bureau, 2015).

An analysis by the University of Wisconsin-Extension states that upon completion of the St. Croix River Crossing, an estimated 20 minutes of driving time can be eliminated during peak hours of the daily commute for those commuting into the Twin Cities from the City of New Richmond (UW Extension Study, 2013). Those residing in New Richmond will more than likely experience less congestion, faster commute times, and gain more accessibility to jobs in Minnesota (as stated in Part 1 of this housing study). According to the UW-Extension Study, New Richmond residents experience an 11% longer commute time into work than the average Wisconsin commute of just under 21 minutes. Reduced commute times due to the new bridge could strengthen New Richmond's position for housing growth. Figure 3 below shows times spent commuting to work as well as what time commuters initially leave for work during the day. The first vertical chart depicts what percentage of commuters leave during what interval of time in the morning. The bottom vertical chart shows the percentage of people who leave for work and the typical length of time it takes to get to work.

Figure 3: Commuting Patterns from New Richmond to Twin Cities



Time in Minutes Spent Commuting to Work



Source: American Community Survey

Projected Population Impacts

As a whole, St. Croix County is projected to be the fastest growing county in the state of Wisconsin in terms of percentage (Wisconsin Department of Administration, 2013). St. Croix County was also ranked as Wisconsin's fastest growing county from 1980-2010 (Wisconsin Department of Administration, 2013). A 41.1 % increase in population from 84,345 in 2010 to 119,010 in 2040 is estimated in the county. Specific communities surrounding New Richmond are listed in the Department of Administration's (DOA) table of the top 15 fastest-growing communities to watch for. By 2014, the City of Hudson is projected to increase population to 20,780 in 2040 from 13,187 in 2010, roughly a 57% increase. The Village of Somerset ranks 14th in the DOA's table as a fastest growing community, seeing a projected population of 4,100 in 2040 from 2,642 in 2010.

Although no information specifically for New Richmond was mentioned, the Town of Richmond (directly south of New Richmond) ranks 8th on the DOA's list of top growing communities in the state. From a population of 3,339 in 2010, Richmond Township is projected to see an increase of over 61% in population by 2040, reaching a total population of 5,385. Although the Wisconsin

Department of Administration does not list out specific reasons for why this growth may occur in the Town of Richmond, the City of New Richmond should still accommodate for the potential spillover effect. The Department of Administration's table for 15 top-growing communities focuses primarily on percentage growth over numerical growth. The projections provided for the Town of Richmond offers New Richmond the best opportunity to project what type of growth the city may experience. If communities such as Hudson and the Town of Richmond have population projections over 55% each from 2010 to 2040, this could produce a spillover effect into the City of New Richmond. The City of New Richmond may not have specific projections laid out by the DOA's office, but by judging the growth patterns of nearby communities in St. Croix County, the City of New Richmond can determine the most appropriate courses of action to take to accommodate for the possible growth.

Existing Housing Stock

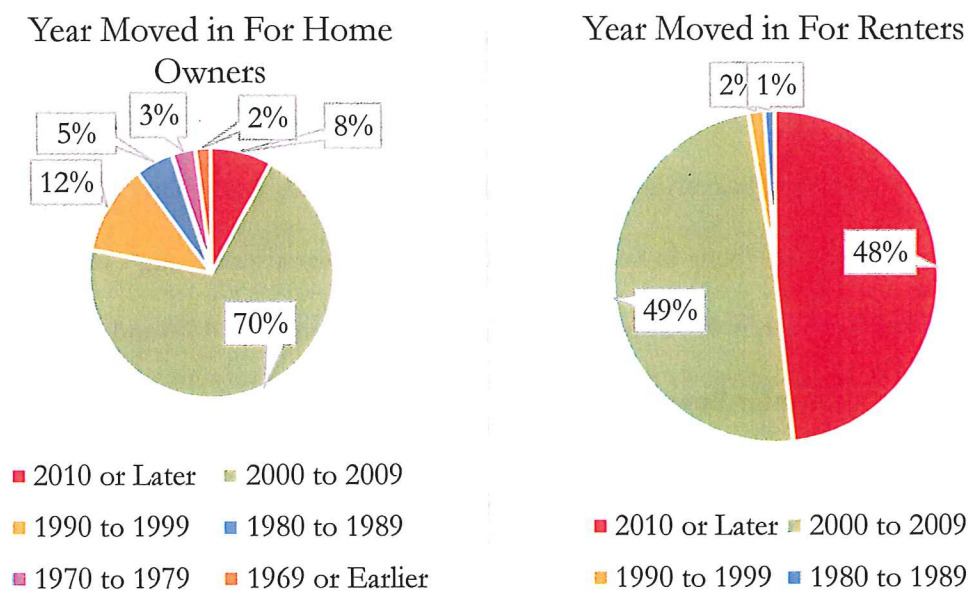
Housing Occupancy

The average length of time in which the typical buyer of a single-family home resides in the same home is 13 years in the U.S. (National Association of Home Builders, 2013). Those residing in the City of New Richmond reside in the same home for 12.7 years on average (U.S. Census Bureau, 2013). The U.S. Census Bureau has estimated that 80.7% of households in the City of New Richmond see the same owners living in the same household one year after signing a lease or buying the home. This figure, however, is 4% below the Wisconsin state average of 85% and 5% below the U.S. average of 86% (U.S. Census Bureau, 2015).

Figure 4 shows the different time periods in which residents moved into their current homes. This is important for New Richmond because it shows the length of time that home owners and renters reside in their homes. Almost 70% of current home owners in the City of New Richmond moved into their homes between the years 2000 and 2009. On the other side of the spectrum, about 97% of

those renting in New Richmond moved into their homes after the year 2000. This is not surprising as renters generally look for more short-term residences. Of those currently renting in the City of New Richmond, roughly 50% of them have lived in the same residence for over 5 years (American Community Survey, 2014). Note that with this information, some instances need to be taken into consideration. It is possible for a resident to move from one home to another in the City of New Richmond throughout any of the time periods mentioned in the chart. It is also possible that younger residents may come of age and move out of their family's home and choose to reside in another location within the city limits. These possibilities are important when analyzing the typical length of time in which residents choose to reside in the City of New Richmond. If possibilities such as those mentioned were to occur, then those changing residencies would add to the statistical count of the information, but not change the total number of residents overall. This means that some residents who moved into a new home between 2000 and 2009 would be counted twice if they had moved into their previous home between 1960 and 1969.

Figure 4: Year Moved in for Home Owners and Renters in New Richmond

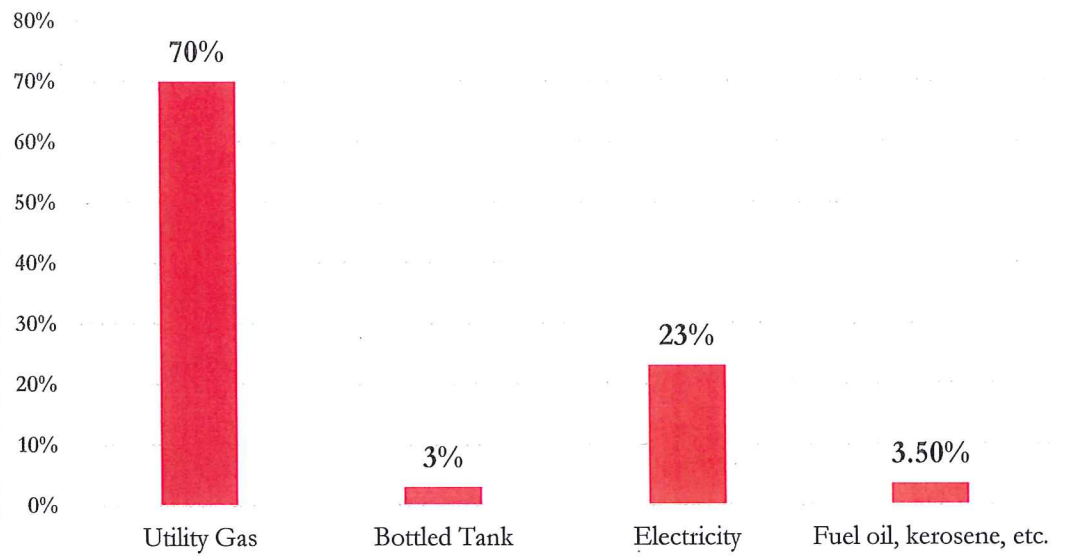


Source: American Community Survey 2014

New Richmond has a total of 3,310 housing units as of 2014 (Owen Assessing LLC, 2015). In 2010, 49% of occupied housing units were owned with a mortgage or loan by the homeowner. Roughly 39% of those housing units were renter occupied and the remaining 12% of homes are owned with no mortgage or loan payments required. As of 2014, these proportions have not changed, as 62% of occupied housing units were owner occupied and 34% were renter occupied. The remaining 4% of housing units are currently vacant. According to the U.S. Census Bureau, about 80.7% of people purchasing a home in New Richmond are likely to remain in the same household one year following the initial purchase.

The primary source of heat for households in the city is with utility gas, which heats roughly 70% of New Richmond homes. Electric heating is the next primary source, heating up 23% of the homes in New Richmond. All other forms of heat make up the remaining source of fuel used to heat homes with 7.5%. Figure 5 lays out the top four heating sources used by homes in New Richmond. For future housing construction in the City of New Richmond, utilizing this information could help determine what potential changes may be needed to city infrastructure. As it appears in Figure 5, a majority of the housing units in the city use utility gas and electricity to heat their homes. According to the United States Department of Energy, utility gas and electricity rank in the top three most cost efficient ways of heating homes. When city officials discuss plans to update the City of New Richmond's infrastructure, they can utilize this information when determining the costs of updating the heating sources. Energy sources such as solar energy, wood, and coal account for less than 1% of homes in the City of New Richmond. These sources are not shown in Figure 5.

Figure 5: Primary Source of Heating for New Richmond Homes by Percent

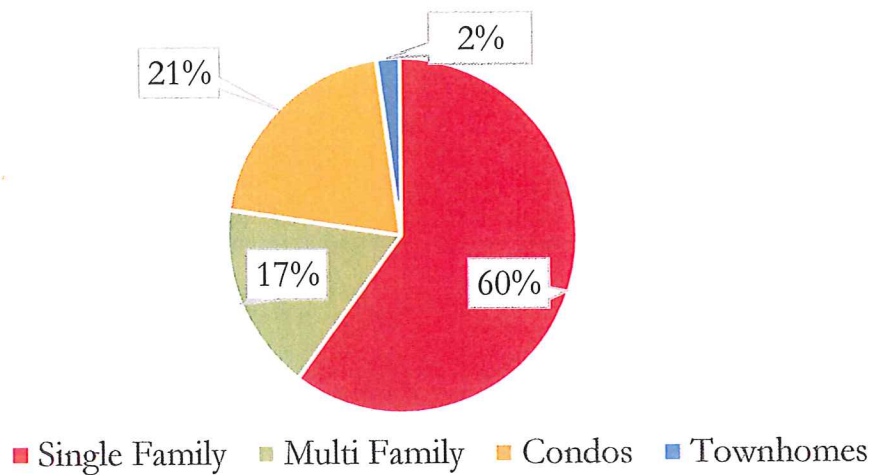


Source: American Community Survey 2014

Type

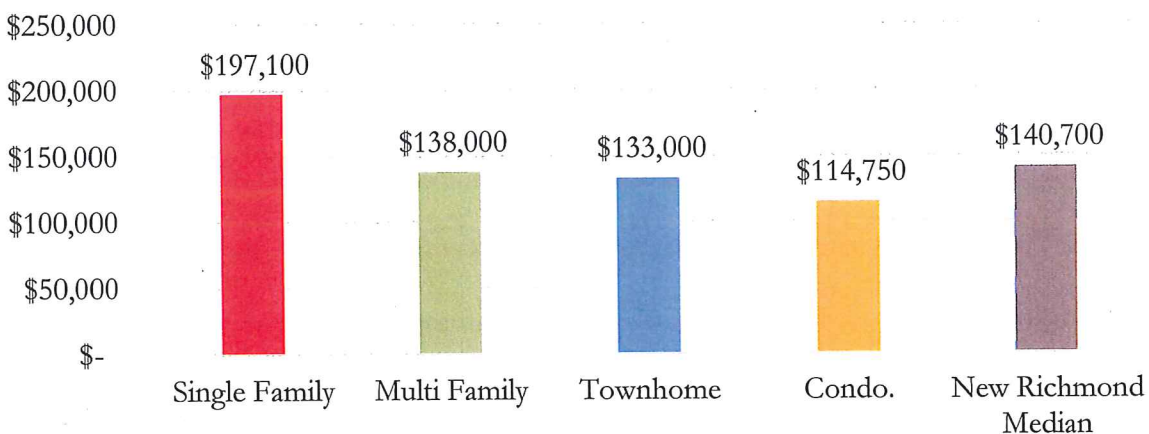
In 2014 single family homes made up 60% of the 3,310 housing units in New Richmond. Other types of housing in New Richmond include multi-family homes (17%), condominiums (21%), trailer courts (<1%), and townhomes (2%). Figure 6 illustrates the types of homes in the City of New Richmond in 2015 (Owen Assessing LLC, 2015) in combination with their median home value (U.S. Census Bureau, 2015). One unit detached homes accommodate for 53% of the total housing units in New Richmond while one unit attached holds the next highest total at 14% (Owen Assessing LLC, 2015). One unit attached homes include townhomes, duplexes, double houses, and row houses. Mobile homes make up less than 2% of households available in New Richmond. Mobile home information does not include boats, RV's, or vans; these types of homes make up less than 1% of housing units in New Richmond.

Figure 6: Types of Homes in New Richmond (3,310 Total Housing Units) in 2015



Source: Owen Assessing LLC

Median Household Price



Source: U.S. Census Bureau

A total of 138 homes were sold in New Richmond as of November 2015 (“New Richmond Real Estate – Redfin,” 2015). Of those sold, 85% were single family homes. Townhomes and condominiums each represented 7% of those sold in 2015 while multi-family homes made up 2% of sales. This shows that single family homes continue to be the preferred type by homeowners. Permit information for the year 2015 was acquired and shows 16 new townhome permits being added along

with 28 new single family home permits. This along with total values of each type is depicted in Table 2.

Table 2: Housing Permit Information for the City of New Richmond 2015

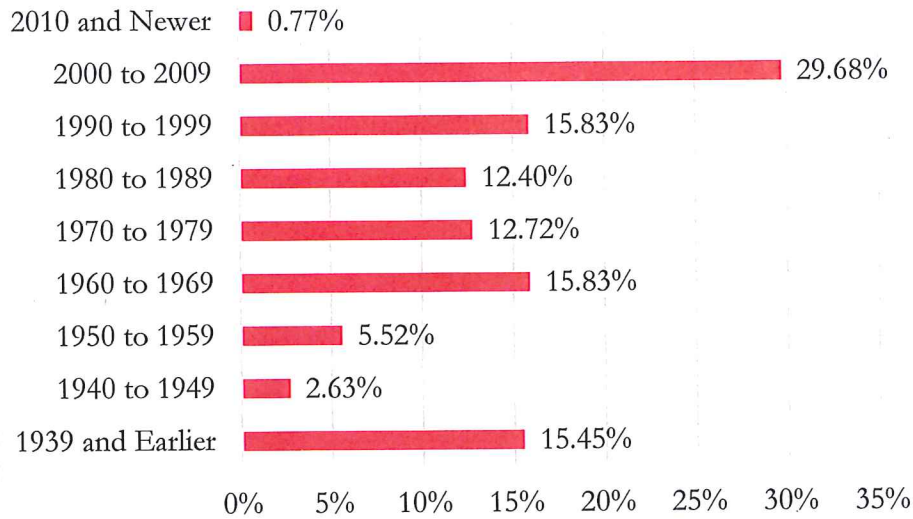
	Oct. – Dec. 2015	2015 YTD	2014 YTD
Permits Issued	74	287	231
Dwelling Units	21	56	71
Construction Value			
Commercial	\$846,605	\$24,603,631	\$16,599,449
Residential	\$2,884,432	\$8,888,830	\$3,675,808
Multi-Family	--	--	\$4,000,000
Total Value	\$3,731,037	\$33,492,461	\$24,275,257

Source: Community Development Director, City of New Richmond

Age and Condition

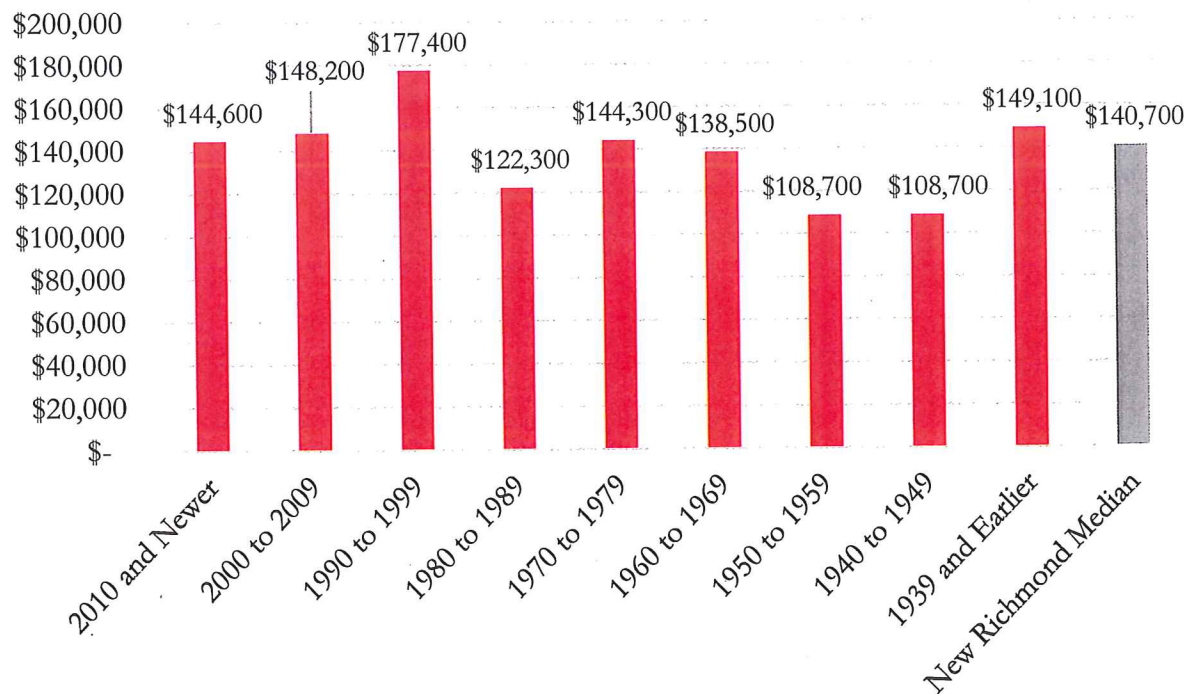
Figures 7 and 8 represent data retrieved from Trulia.com and Towncharts.com regarding the years that homes in New Richmond were built. Trulia's information (Figure 7) shows us the development of homes in New Richmond dating back to the early 1900's as well as a percentage of homes built during the corresponding time period. Townchart's information (Figure 8) shows the time periods of when homes were built as well as the median home value of those homes. Note that the values shown in Figure 8 are current up to when the analysis was conducted, which means median home values for this information are as of 2014. Townchart's information comes from the American Community Survey conducted in 2014.

Figure 7: Housing Units by Year Structure Built in the City of New Richmond



Source: Trulia.com

Figure 8: Median Home Value by Year Structure Built in the City of New Richmond



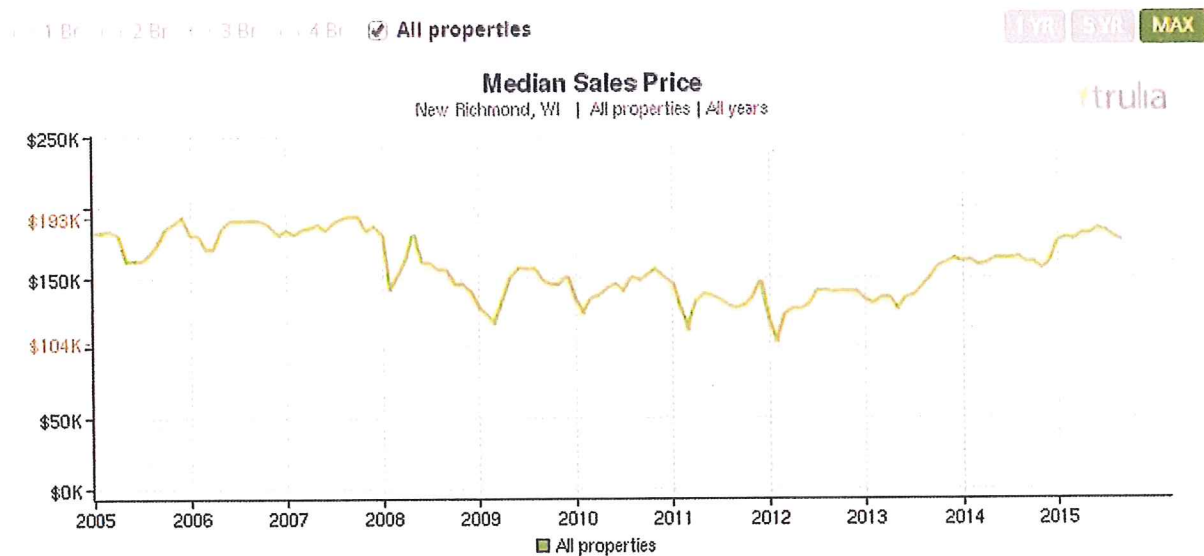
Source: American Community Survey, 2014

Property Values

Property values in New Richmond tend to fluctuate in relation to the overall state of the economy.

According to trulia.com, Figure 9 below shows the median sales price of all properties in New Richmond between 2005 and 2015. Data between 2005 and 2015 provides an indication of prices before and after the recession occurred in 2008. However, there is speculation as to when the recession truly ended and when the growth stage began afterwards. For New Richmond housing, property values appear to show 2008 as the beginning of the decline and 2012 as the lowest point. The housing market for the city coincided with that of the Great Recession between 2008 and 2012, where property values had fallen by 42% (Trulia.com). Since New Richmond's home values dropped to the lowest point of \$104,000 as a median price in early 2012, home values have risen consistently.

Figure 9: Median Sales Price in New Richmond 2005-2015

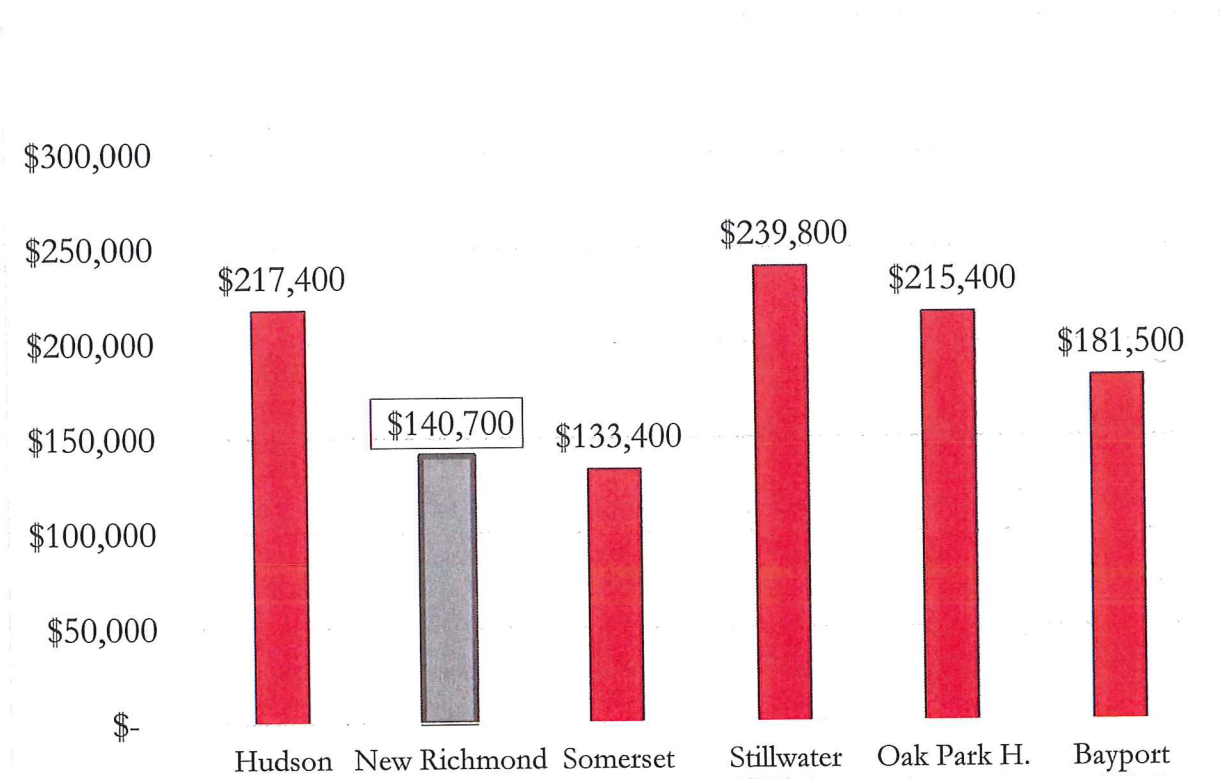


Source: trulia.com

Compared to nearby Wisconsin communities, home prices in New Richmond can be considered strongly competitive (U.S. Census Bureau, 2013). Figure 10 shows the median home values in New Richmond compared to nearby Wisconsin and Minnesota communities. Comparing with the nearest communities in terms of value, New Richmond appears to offer more affordable homes for homeowners by a substantial amount. In the closest town of Somerset, roughly seven miles west of

the City of New Richmond, the median home value in 2014 was \$230,000, a 37% higher value than the median New Richmond home. If the new St Croix River Crossing were to generate growth in western Wisconsin, potential home buyers would be looking for the most affordable home values. As Figure 10 shows, New Richmond is in a strong position in terms of housing affordability compared to nearby communities. The city of Hudson, a heavily populated community south of New Richmond, had a median home value of \$217,400 in 2014.

Figure 10: Median Home Values 2014



Source: American Community Survey, 2014

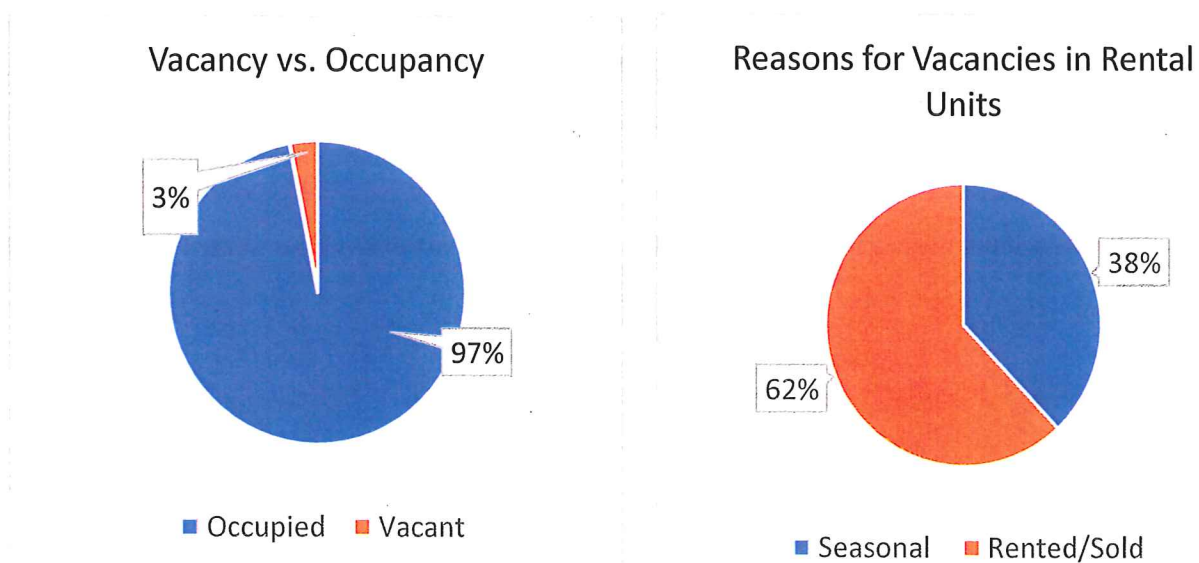
Vacancy Rates

Of the housing units located in New Richmond, about 34% of households are rented and 62% are owned (U.S. Census Bureau, 2013). According to the U.S. Census Bureau, only 3.9% of rental properties in New Richmond were vacant in 2014. New Richmond is showing much lower vacancy rates in comparison with the state of Wisconsin. For the state, the rental vacancy rate is currently 31.4% (civc dashboards.com) Comparing with St. Croix County as a whole, New Richmond sees a slightly smaller vacancy rate than the county rate of 4.3%. In an interview conducted with local real

estate agents, the consensus as to why rental properties were vacant was due to the normal tenant rotation. When one tenant would end their lease and move out, the short time period afterwards to clean and renovate the home is when the housing unit would be declared vacant. Local real estate agents mentioned that this is a very typical process in the rental housing market. Figure 11 offers a visual for further vacancy information. The left pie chart shows the percentages of vacancy vs. occupancy levels in New Richmond whereas the right pie chart shows the various statuses on vacancies in the New Richmond rental market. Note that for the left pie chart, both renter-occupied and owner-occupied housing units are accounted for. More information regarding the interviews conducted with local real estate agents can be found in Appendix I.

For the owner-occupied housing market, New Richmond experiences less than .5% of a vacancy rate. The primary reason why homes in New Richmond would become vacant is due to foreclosures. This tells us that rental properties and single family houses will retain their originally constructed purpose. With the rental market maintaining low vacancy rates and New Richmond consisting of some of the most affordable housing prices in the area, New Richmond holds a strong place of opportunity for potential home buyers and renters.

Figure 11: Vacancy Charts for New Richmond 2014



Source: areavibes.com

Special Needs and Senior Assisted Living

The City of New Richmond is home to over 1,200 senior citizens (ZoomProspector). Those ages 65 and above account for 14.7% of the City of New Richmond's population (ZoomProspector). This demographic also represents a fairly large portion of those looking to rent in New Richmond. Sarah Skinner, building inspector for the City of New Richmond, states that the new apartment complex Croft Place of Herman & Kittle Properties is seeing heavy demand from the senior citizen age demographic. The apartment complex will contain 52 units overall ranging between 1-4 room spaces and is set to complete sometime in 2017.

New Richmond is also home to two senior assisted-living homes: Boardman Meadow and The Deerfield. These homes, aside from normal apartment complexes, offer comfortable living as well as on-site medical assistance to their residents. Arthur Rose and Our Family are also listed as two private-assisted living homes, however they offer options for those with special needs while Boardman Meadow and The Deerfield focus primarily on helping senior citizens.

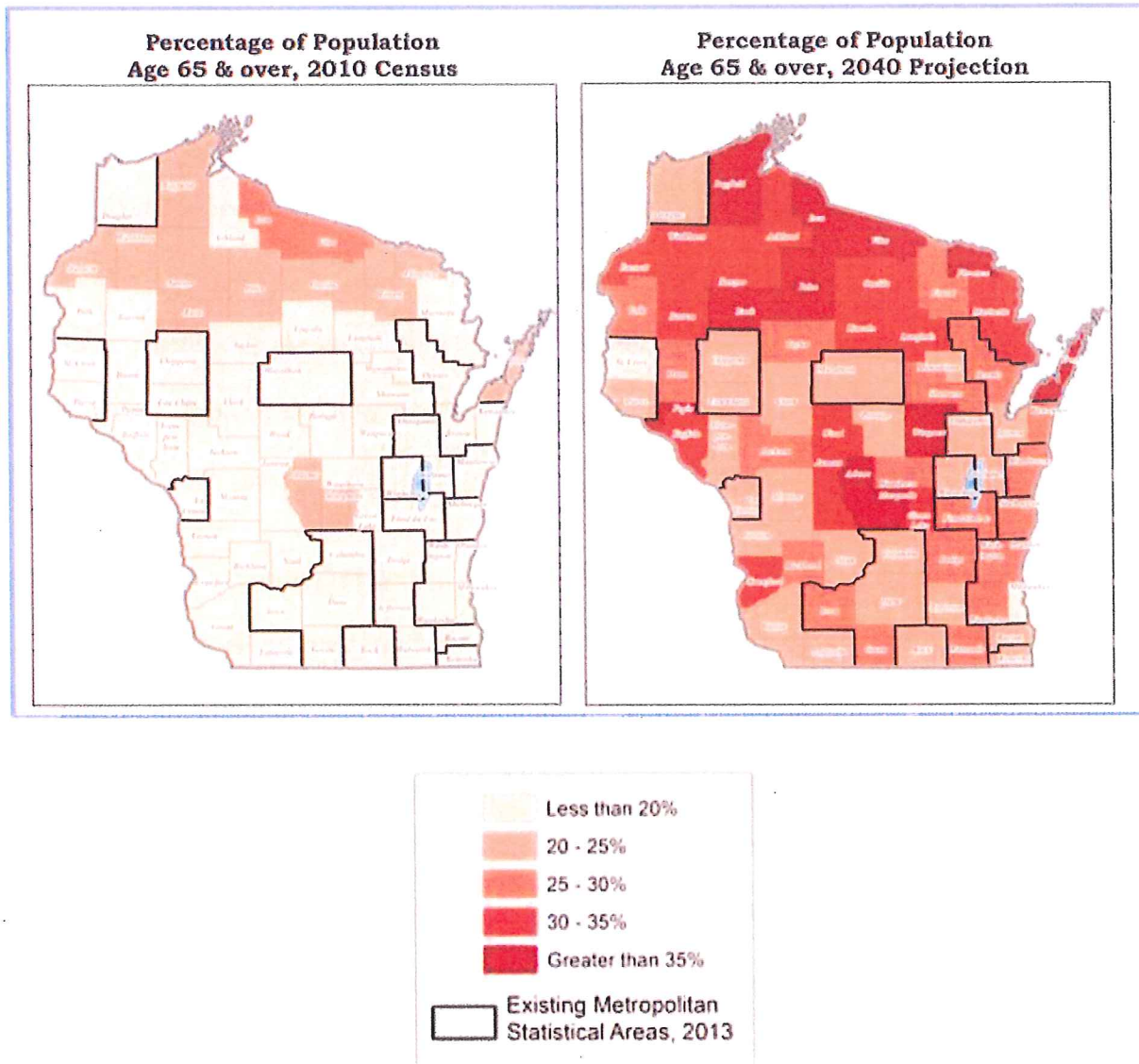
With these living options available, New Richmond is also preparing for the rise in population of those ages 65 and over. Within the next 5 years, those from the Baby Boomer era will reach this milestone, increasing the 65+ population in New Richmond by 29% (ZoomProspector). To help accommodate for this increase, a \$20 million nursing home has been approved by St. Croix County to offer more options for those seeking assisted living in the City of New Richmond. This home will contain 40 rooms as well as a 10-bed dementia stabilizing unit. These plans have been in debate for the past decade, but now that construction has begun, the City of New Richmond is already positioning itself to prepare for the increase in the 65+ age demographic.

Age Projections

St. Croix County is not projected to experience the same type of growth in regards to age distribution as the rest of the state. According to the Wisconsin Department of Administration's

office, St. Croix County is projected to see less than 20% of its total population to be ages 65 and over in the year 2040. A majority of the counties in Wisconsin are projected to see a much larger percentage in residents over the age of 65. Figure 12 displays a comparison of the percentage of population age 65 and over between the 2010 Census information and the 2040 projections.

Figure 12: Age 65 and Over Comparison Heat Maps for Wisconsin by County

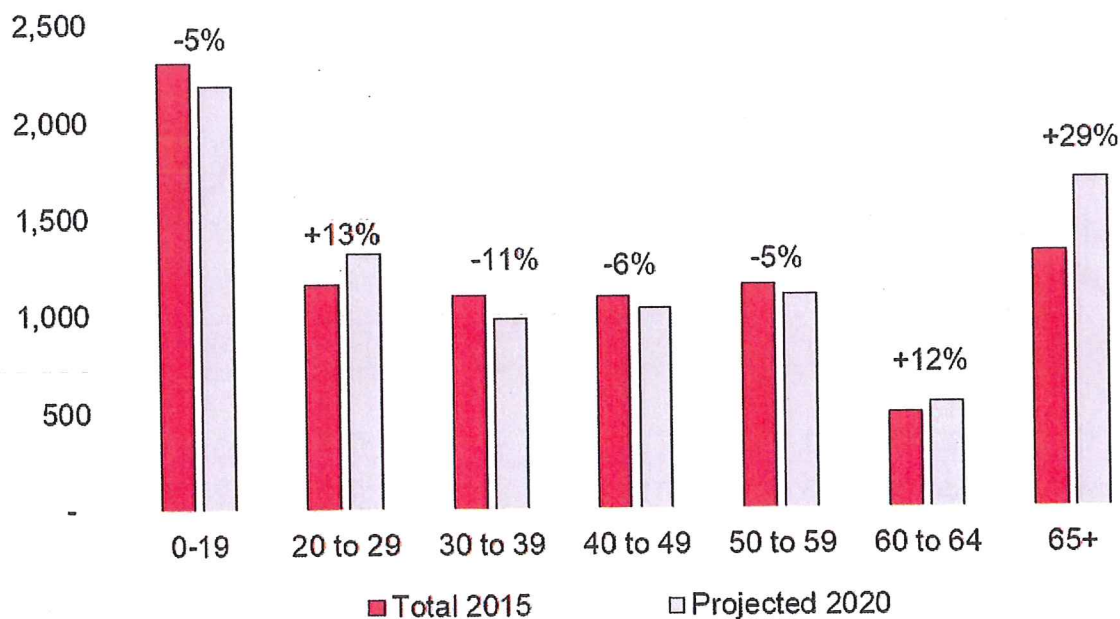


Source: Wisconsin Department of Administration

Placing the City of New Richmond into perspective, a short term projection for age distribution was calculated by ZoomProspector. From 2015 to 2020, New Richmond is projected to experience a

29% increase in residents ages 65 and over. Another age demographic that is projected to see an increase is residents ages 20 to 29, witnessing an increase of 13% in population by 2020 (ZoomProspector). Figure 13 below displays all of the variant age groups by total number as well as the percent change between 2015 and 2020. As can be seen in Figure 13, the largest changes occur on opposite ends of the spectrum. Much of the population between 30 and 59 is not projected to change much in the short term. Tying in with New Richmond's housing needs, the increase in the number of residents 65 and over will be met with projects conducted by the city to offer more available assisted living options for senior citizens. For the 12% increase in 20 to 29 year olds, the rental market in the City of New Richmond could provide a strong competitive advantage compared with nearby cities to better attract this age group. More information on the rental market can be found in 'Rental Market Analysis' (Page 29).

Figure 13: Percent Change in Age Distribution for New Richmond 2015 - 2020



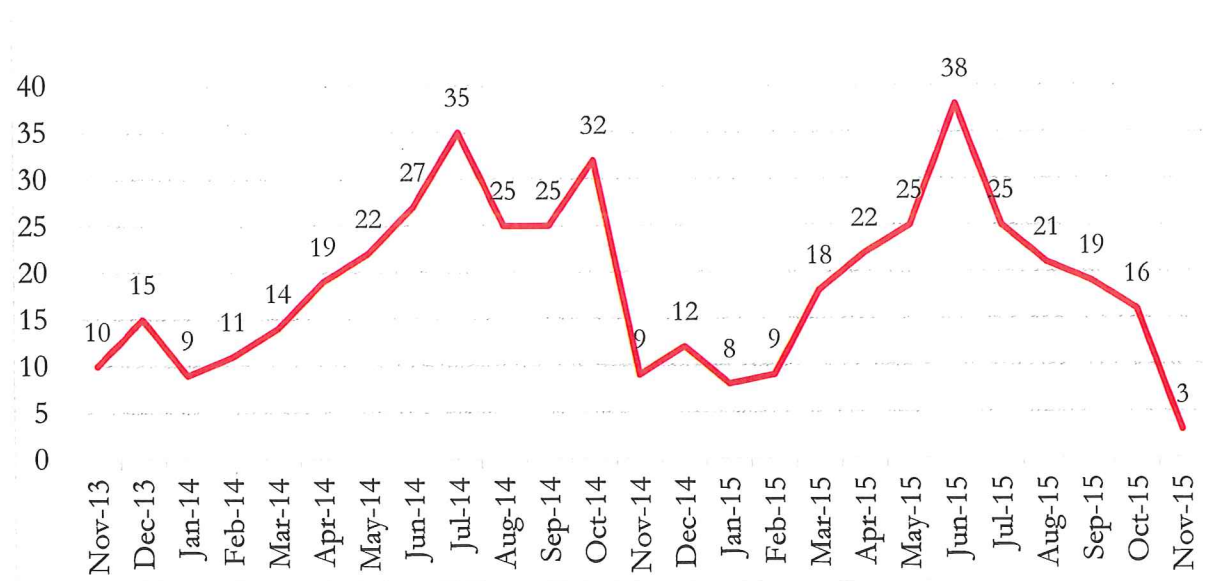
Source: ZoomProspector

City Housing Market Analysis

Housing Market Turnover/Sales

Since 2013, the housing market in New Richmond has experienced a small, steady rise in home values (Trulia, 2015). Figure 14 displays sales information that includes all homes sold in the specified month. For each month, the total number of homes sold includes single family, multi-family, condominiums, and townhomes. A majority of the sales comes from the single-family housing market, making up 82% of housing sales for the City of New Richmond within the past two years (Redfin). Townhomes generate the next highest sales at 8%, and multi-family homes come in next at 5.5%. Total annual sales of New Richmond homes have remained relatively consistent since 2012, when home prices reached their lowest point (Trulia.com).

Figure 14: Number of Homes Sold in New Richmond



Source: Redfin

For single family homes that are currently for sale in New Richmond, the median household listing price is currently \$170,900 in 2015 (Redfin). This is made up primarily of “original” list prices, meaning once interested buyers begin to negotiate a final bid for their desired home, the final price

has the potential to drop. Applying this change in final price to the current median price of available homes, the current median selling price falls to about \$163,000. This falls in-line with the analysis chart provided earlier in this report. It was previously analyzed that property values have been steadily increasing since 2012 when looking at property values from 2005 to 2015.

Rental Market Analysis

As mentioned previously, about 34% of New Richmond's total housing is renter-occupied. The rental market in New Richmond has been witnessing strong occupancy rates in recent years due to its proximity to the Twin Cities and its affordability compared with surrounding communities. Table 3 lists the average monthly rent for each type of apartment or home available for rent in New Richmond compared to the nearby cities of Somerset and Hudson during 2014. For this portion of the analysis, statistics from these cities will be analyzed for competitive reasons relating to the bridge completion. When the St. Croix River Crossing construction is completed, New Richmond as well as Somerset and Hudson are the closest and largest communities in Wisconsin that could see an impact from the bridge. To place New Richmond in perspective, comparing rental market rates with Somerset and Hudson gives an indication on which community offers the most affordability to people looking to rent.

Table 3: Average Monthly Rent Comparisons in 2014

	<i>New Richmond</i>	<i>Somerset</i>	<i>Hudson</i>
Studio Apartment	\$ 540	\$ 557	\$ 610
1-Bedroom	\$ 670	\$ 695	\$ 760
2-Bedroom	\$ 840	\$ 869	\$ 950
3-Bedroom	\$ 1,180	\$ 1,223	\$ 1,340
4-Bedroom	\$ 1,400	\$ 1,446	\$ 1,580

Source: BestPlaces

Somerset and Hudson both offer a convenient commute to the Twin Cities. One major advantage New Richmond has over these communities, however, is the affordability of their rental market. As

shown in Table 3, New Richmond rental units have lower monthly rent expenses for residents for each type of rental housing unit than the other communities. Upon first glance, the differences between the city's average monthly rent is not very significant. Almost 50% of those renting in New Richmond moved into their respective housing units between 2000 and 2009 (American Community Survey, 2013). This suggests of those renting in New Richmond, roughly half of them have a tendency to remain in the housing unit longer than the average 1-year lease. Table 4 shows the additional cost experienced by those renting homes outside of the City of New Richmond.

Table 3: Average Total Additional Costs for Renting Outside New Richmond in 2014 – Wisconsin Communities

	<i>Somerset</i>	<i>Hudson</i>
Studio Apartment	\$ 204	\$ 840
1-Bedroom	\$ 300	\$ 1,080
2-Bedroom	\$ 348	\$ 1,320
3-Bedroom	\$ 516	\$ 1,920
4-Bedroom	\$ 552	\$ 2,160

Comparing New Richmond with nearby Wisconsin communities provides a perspective on what rental markets are like in Wisconsin. To gain an even broader perspective, analyzing three communities in Minnesota offers insights into the rental market west of the St. Croix River Crossing. Table 5 is a table showing the average monthly rent of 2014 for Oak Park Heights, Stillwater, and Bayport, Minnesota. These communities were selected for their position in relation to the St. Croix River Crossing as well as the strong level of impact their housing markets could experience once construction is complete.

Table 4: Average Monthly Rent of Minnesota Communities in 2014

	<i>Stillwater</i>	<i>Bayport</i>	<i>Oak Park Heights</i>	<i>New Richmond</i>
Studio Apartment	\$ 630	\$ 630	\$ 688	\$ 540
1-Bedroom	\$ 780	\$ 780	\$ 855	\$ 670
2-Bedroom	\$ 980	\$ 980	\$ 1,070	\$ 840
3-Bedroom	\$ 1,380	\$ 1,380	\$ 1,506	\$ 1,180
4-Bedroom	\$ 1,630	\$ 1,630	\$ 1,777	\$ 1,400

Source: BestPlaces

As can be seen in Table 5, all three communities experience higher monthly rent expenses during 2014 compared with New Richmond. Even Hudson, which appears to have the highest average monthly rent expense for the Wisconsin communities analyzed, has lower monthly rent expenses than the Minnesota communities. With this information, one can infer that renting in Minnesota would cost the resident more than it would to rent in Wisconsin. Table 6 shows the additional cost renters experienced when choosing to rent a home outside of the City of New Richmond. According to the table below, any type of home rented in New Richmond would save a minimum of \$1,000 compared to renting in any of the Minnesota communities. Oak Park Heights appears to have the highest average monthly costs compared to all cities analyzed (including Wisconsin cities). For this portion of the analysis, taxes and utilities were not included due to highly adjustable rates and fees.

Table 5: Average Total Additional Costs for Renting Outside New Richmond in 2014 – Minnesota Communities

	<i>Stillwater</i>	<i>Bayport</i>	<i>Oak Park Heights</i>
Studio Apartment	\$ 1,080	\$ 1,080	\$1,776
1-Bedroom	\$ 1,320	\$ 1,320	\$2,220
2-Bedroom	\$ 1,680	\$ 1,680	\$2,760
3-Bedroom	\$ 2,400	\$ 2,400	\$3,912
4-Bedroom	\$ 2,760	\$ 2,760	\$4,524

Housing Affordability Comparison

In the previous section, initial findings for the renter-occupied markets for major communities nearest the new bridge location suggests that New Richmond offers more affordable rental properties. Examining the owner-occupied market can bring that analysis full circle to show New Richmond's position in the housing market relative to other affected communities. In 2014, the median household price in New Richmond was roughly \$140,700 (U.S. Census Bureau, 2015). Property values have been increasing steadily for the previous three years (starting 2012) as the economy in the state of Wisconsin continues to recover from a recession that started in 2008

(Trulia.com). For the year 2014, Table 7 lists the median household price for the cities of Hudson, New Richmond, and Somerset. Note that from the sources used, the median household price of a condominium in Somerset was not available.

Table 6: Median Household Price 2014 – Wisconsin Communities

	<i>New Richmond</i>	<i>Somerset</i>	<i>Hudson</i>
Single Family	\$ 197,100	\$ 222,500	\$292,100
Condo Value	\$ 133,000	--	\$178,900
2-Bedroom	\$ 140,600	\$ 137,600	\$191,000
3-Bedroom	\$ 187,700	\$ 168,900	\$225,700
4-Bedroom	\$ 219,100	\$ 191,600	\$302,500

Source ZoomProspector

Analyzing this table, we can see that Hudson home values are much higher than both New Richmond and Somerset. With New Richmond having the lowest median single family household price, Somerset appears to have lower median prices for 2, 3, and 4 bedroom homes. This gives a clear indication on the affordability of these three Wisconsin cities in terms of property values in 2014.

With property values for relevant cities in Wisconsin in mind, nearby cities in relation to the bridge in Minnesota will need to be analyzed as well. Gathering information on housing in Stillwater, Bayport, and Oak Park Heights can tell us how the owner-occupied market in New Richmond compares with property values in closer proximity to the Twin Cities. Table 8 lists out the median household price in 2014 for three of the closest cities to the location of the new St. Croix River Crossing. For the purpose of this analysis, the focus on the Minnesota housing markets will remain specifically on the single family dwellings. This can be most attributable to the competitiveness between New Richmond and Minnesota communities, being that single family homes in New Richmond make up 60% (Owen Assessing LLC, 2016). As shown in Table 8, New Richmond has a

median household value for single family homes in 2014 of \$197,100. This appears to be lower than all three Minnesota cities analyzed.

Table 7: Median Household Price 2014 – Minnesota Communities

	<i>Stillwater</i>	<i>Bayport</i>	<i>Oak Park Heights</i>	<i>New Richmond (WI)</i>
Single Family	\$ 233,000	\$ 204,000	\$215,400	\$197,100

Source: Zillow

The median household price in Stillwater has increased by 5.4% over the past year (since 2013) and is expected to rise 3.3% within the next year. For Bayport, the median price has increased by 2.8% since 2013 and is projected to increase by 2.7% going into 2015. Oak Park Heights has witness a 9.4% increase in home values since 2013, the largest increase of those Minnesota cities analyzed in this case. Oak Park Heights is also projected to see home values grow by 2.3% by the end of 2015 (Zillow).

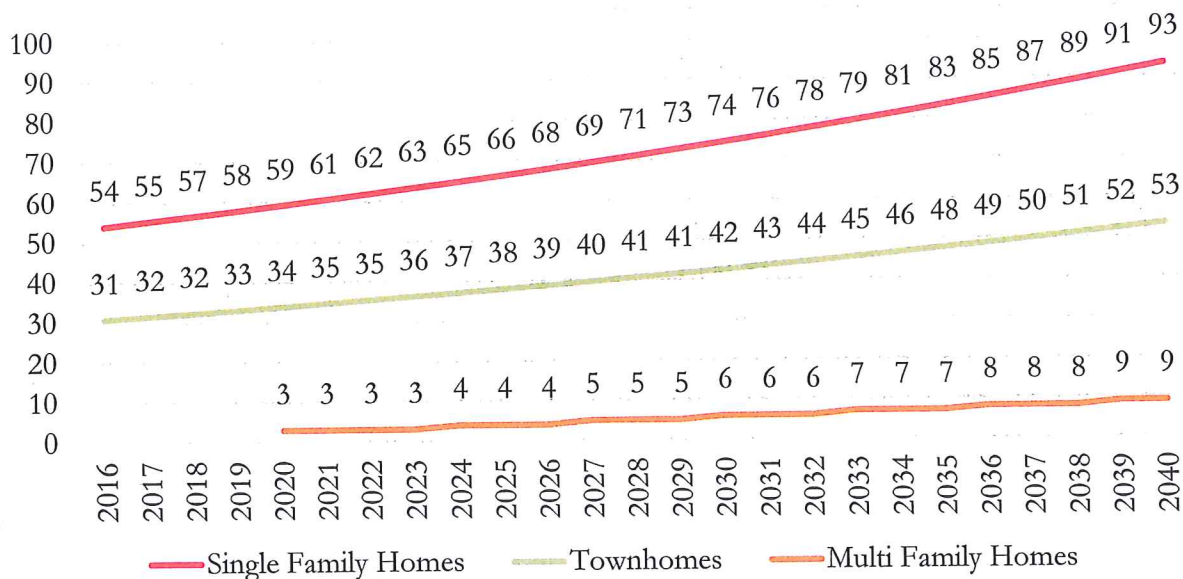
Placing New Richmond into perspective, New Richmond appears to have a good stance on owner-occupied housing affordability. With typically lower home prices than the Wisconsin and Minnesota communities analyzed, New Richmond home values have increased by 9.6% since 2013 and are expected to continue rising by 4.4% going into the end of 2015. For the next several years, foreclosures will be a factor that could impact home values. For New Richmond, 1.6 homes (per 10,000) on average are foreclosed upon annually since 2012 (Zillow). This is lower than the Minneapolis-St Paul Metro value of 2.8 and also lower than the national value of 3.1 homes per 10,000.

Household Projections

According to the Wisconsin Department of Administration, the total number of New Richmond Households is projected to grow by 2.3% annually from 2015 to 2040. At the end of 2040, the overall growth rate from 2015 will show a 23% increase in the number of households in the City of New Richmond (Wisconsin Department of Administration, 2013). Conducting the analysis, roughly

100 homes will need to be constructed per year in order to accommodate for the projected growth in households and in population. With an average of 2.4 individuals per household, this lines up with the projections for population by 2040 (Wisconsin Department of Administration, 2013). Of the 100 homes, it is beneficial to take into account what Savage experienced in relation to the bridge constructed near Savage. When the bridge was constructed in 1996, almost 99% of the residential permits generated were single family. By the end of 2000, that percentage had reduced substantially to 50% of the total number of residential permits, with 41% of the permits being for townhomes. The demand for multi-family homes in the City of New Richmond is closely related to the City of Savage. From shortly before the bridge construction in Savage in 1996 to 2000, it is shown that multi-family homes were in very low demand for the city. Even with the substantial amount of growth Savage experienced, the number of multi-family housing permits were minuscule compared to single-family homes and townhomes. This aligns fairly strongly with the City of New Richmond's current situation. Single family home's produced the most sales in 2015 while the demand for multi-family households remained fairly low. Applying these proportions to the projected growth rate of households for New Richmond, Figure 15 lays out the expected growth in households for New Richmond by type of household using growth rate of 2.3%. A growth rate of 2.3% can be considered as an average growth rate for New Richmond.

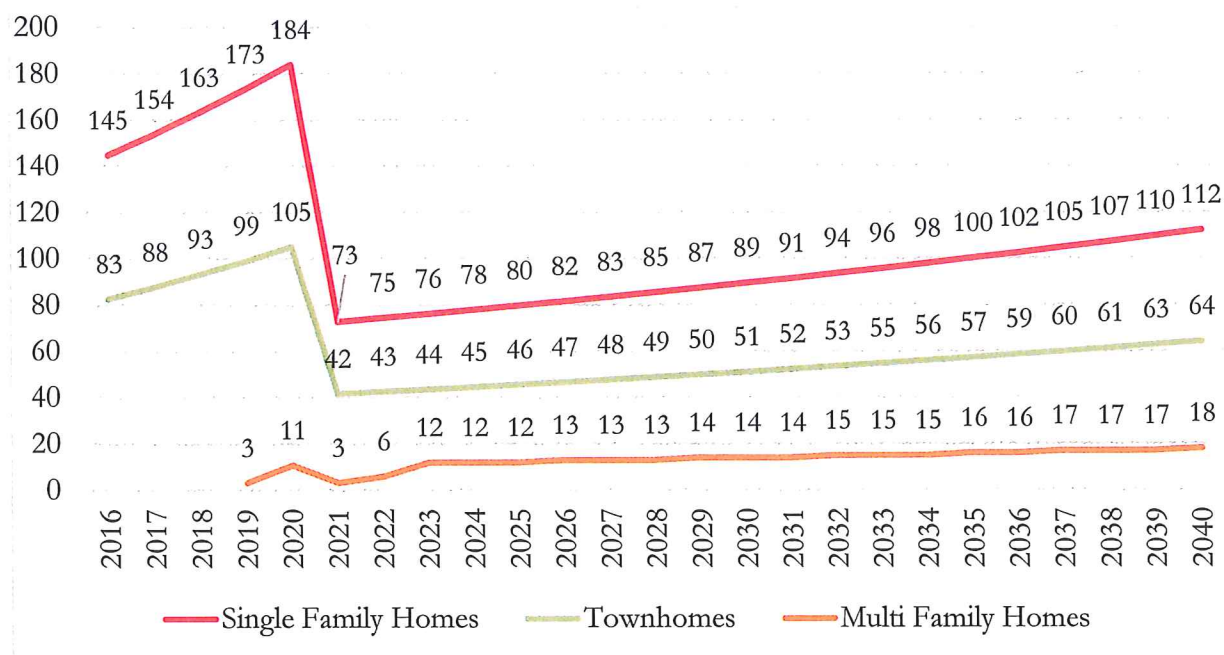
Figure 15: Projected Number of Homes to Meet Population Demand for New Richmond by Household Type – Normal Growth (2.3% Annual Growth)



Applying the proportion of growth Savage experienced from the construction of their new bridge, an upper limit growth rate of 6.2% could be experienced in the City of New Richmond. With this new estimate, an average of 250 to 300 total homes would need to be constructed per year to meet the upper limit growth rate. Figure 16 shows the expected growth in type of households from 2015 to 2040 using the growth rate of 6.2%. Both Figures 15 and 16 display the total number of each type of home needed to be built in that year in order to meet the projected growth provided by the Wisconsin Department of Administration. Figure 16 witnesses a strong change between years 2020 and 2021. The reason for this sharp decline is if the City of New Richmond were to see exceptional growth in the short term due to the bridge, it is likely that growth will return to a more standardized growth rate. The City of Savage experienced tremendous growth immediately following the bridge. By the year 2000, roughly 4 years after construction was completed in Savage, the number of housing permits demanded for the city began to return to a smaller, more stable rate of growth (Bryan Tucker, City of Savage). It is unlikely that the City of New Richmond will experience growth similar to Savage, essentially due to New Richmond's location in relation to the St. Croix River Crossing. The City of New Richmond is 15+ minutes beyond the St. Croix River Crossing, whereas

Savage is less than 5 minutes away from its bridge. What these growth rates do provide, however, is a conservative estimate (2.3% growth) and an opportunistic estimate (6.2%). If the projections for population hold true with the conservative growth estimate in the near future, these household projections will help New Richmond be more equipped and better prepared in the short and long terms. If the projections for the opportunistic estimate were to hold true, Figure 16 displays important information on how the City of New Richmond can meet such an eccentric growth rate.

Figure 16: Projected Number of Homes to Meet Population Demand for New Richmond by Household Type – Opportunistic Growth (6.2% Annual Growth)



Insights from Personal Interviews

Insights from Real Estate Agents

While conducting this research, more information was needed in order to more accurately project what the housing market could see within the short term future. Interviews were conducted with local real estate agents to gain their perspective as to what the housing market was like in the City of New Richmond. Of ten local real estate agencies contacted, only two were willing to offer their insights. The questions that were asked in these interviews can be found in Appendix I.

One insight from the interviews was that the real estate agents interviewed both had somewhat of a similar outlook on New Richmond's housing market. Of the questions that were asked, three in particular produced relatively similar responses. When asked about if there was a noticeable difference between those looking to rent vs. buying a home, a consensus was reached by the agents that the demand for renting a home has increased over the last year (2014). A reason explaining this could be that rental properties are slightly cheaper in New Richmond compared to nearby communities. When asked what types of homes were in the highest demand in 2015, the overall answer was quick and concise: that single family dwellings were the most sought after type of homes in New Richmond in 2015.

Another insight from the interviews was the responsiveness of the City of New Richmond when it comes to major construction projects. Both of the real estate agents interviewed viewed the housing market for the city dependent on the overall state of the economy. This means that construction projects such as the new bridge as well as when the new WI-64 highway was completed in the early 2000's did not have a substantial impact on the housing market for New Richmond. This response from the agents coincides with the response the city of Hastings has had on their recently constructed bridge. While new projects may bring easier commutes or updates to infrastructure, the agents seemed to make it quite clear that the economy produces a greater impact on housing in New Richmond than do major construction projects.

Insights from Building Inspector

In order to gain a more in-depth perspective on how the bridge could impact New Richmond's business growth, a small number of emails were exchanged with the city's building inspector. Information that was obtained during the exchange of emails with the Building Inspector can be found in Appendix II. When asked about what information the city had regarding senior assistance living developments, she mentioned that New Richmond was currently home to 4 housing options.

The Deerfield and Boardman Meadow were developed to accommodate senior assisted living opportunities, while Arthur Rose and Our Family were developed as private assisted living options (more info on Senior/Assisted living options located in Special Needs and Senior Assisted Living section). The building inspector also mentioned information regarding a new 52-unit apartment building nearing completion, and stating that a strong source of interest in renting those units comes from the 65+ age community. When asked regarding business development in the city, she revealed that no major developments were currently underway in anticipation of the new bridge.

Key Findings

Based upon the analysis conducted, key takeaways can be stated in regards to what the City of New Richmond can expect for upcoming housing needs. By 2040, areas surrounding the city such as the Town of Richmond, Somerset, and Hudson are projected to see some of the biggest growth in the state (Wisconsin Department of Administration, 2013). Based on growth patterns of surrounding communities, the City of New Richmond can anticipate a population growth pattern of about 41% by 2040 (Wisconsin Department of Administration, 2013).

The housing market in the City of New Richmond offers some of the most affordable housing values compared to nearby communities (U.S. Census Bureau, 2015). Of the Wisconsin cities analyzed, Hudson appears to be the most expensive place to live, with the average single family home value of \$217,400. On the West side of the St. Croix River, all three cities analyzed show single family homes being above \$208,000 while the City of New Richmond's appears to be one of the most affordable at \$197,000. The City of New Richmond ultimately has an opportunity to capitalize on a growing interest in the single family housing market. The rental market in New Richmond also shows strong indications of more affordable housing options compared with nearby communities. Of the Minnesota and Wisconsin communities analyzed, renter-occupied households

in New Richmond held the lowest average monthly rent. The interviews conducted with the real estate agents also show strong demand in the renter-occupied market.

New Richmond is projected to see a consistent growth rate of 2.3% of households from 2015 to 2020. With that being said, projecting the total number of households by type needed allows the City of New Richmond to be able to meet the projected growth when the time arrives. Applying a 2.3% growth to households shows an overall increase of 23% in total households in the City of New Richmond by 2040. Applying the proportions in what the City of Savage experienced along with recent housing permits accepted by the City of New Richmond, Figures 15 and 16 display a useful representation of the total number of households needed in New Richmond by household type. Single Family Homes and Townhomes were the highest growing type of home in Savage. New Richmond also witnessed a strong increase in the number of Townhome residential permits in 2015. This proportion (displayed in Table 2) along with the proportions experienced in Savage (townhomes increasing in demand), provides a strong indication of what New Richmond should plan for in the housing market for years to come.

Recommendations

After conducting the analysis, there are four key recommendations for the City of New Richmond to take:

1. New Richmond should focus more on townhomes and single family homes based on lower prices and higher demand
2. Projected age distribution suggests low-income housing should be a primary focus for the growing age groups of 20-29 and 65+
3. New Richmond should meet the conservative household growth rate of 2.3% with the construction of roughly 80 to 100 housing units annually

4. Watch growth patterns of eastern Minnesota communities and Hudson, WI to appropriately plan for growth in the City of New Richmond

New Richmond holds more affordable value in high quality homes from the analyses conducted from nearby communities in both Wisconsin and Minnesota. This primarily focuses on Single Family homes and single unit dwellings. Projecting the number of multi-family homes needing to be constructed is rather difficult at this time mainly due to the available information. In Savage, the city witnessed very small growth in the multi-family home market for 10 years following the bridge's completion. For Hastings, little to no information was available if any multi-family homes were constructed or demanded in direct response to the new bridge. When analyzing how many multi-family units would need to be built, the number of units per multi-family household plays a big factor. How many multi-family households along with the total number of units within each of those households was very difficult to project at this time. However, as displayed in Figures 15 and 16, the number of multi-family homes the City of New Richmond needs to build should be much smaller than the number of townhomes and single family homes needed. This recommendation is based off of three factors:

1. Demand for multi-family housing the City of New Richmond has seen since 2010
2. What the Cities of Savage and Hastings experienced following their bridge constructions
3. The projected growth rates in population for the City of New Richmond of 2.3% (Normal growth rate) and 6.2% (Opportunistic growth rate) respectively.

Because of New Richmond's location in proximity to the bridge in comparison with the bridges built in Savage and Hastings, providing approximate recommendations on zoning ordinances would be difficult at this time. One recommendation that can be made for zoning, however, is to allot some of the current residential area as 'Potential High Density Residential'. Having specific areas

established for unexpected growth can provide the City of New Richmond a much easier transition if exceptional growth were to occur.

The City of New Richmond will experience growth in two distinct age groups: the 20-29 age group and those ages 65 and over. Each age group has their own unique set of preferences in what they look for when purchasing a home. The younger age group of the two base their decisions primarily on how financially conservative they need to be (National Association of Realtors, 2015). A majority of the potential homebuyers in this age group are directly out of college, with large amounts of student debt left to pay. According to the National Association of Realtors, roughly 35% of people between 20-29 years old are still living with their parents. The primary reason for this is the student debt they have accumulated for attending college (as mentioned previously). Applying this statistic to the City of New Richmond, about 405 individuals in this age group are living at home simply because they can't afford to move out. As for the other age group, elderly citizens 65 years and older look for something with little maintenance needed (Camilla McLaughlin, Associated Press, 2015). According to McLaughlin, those in the 65+ age group also want a home that suits long term needs. This could be interpreted that senior citizens within this age demographic are looking to downsize with their next home. Combining both age group's preferences, having low-income housing available would be the best way to suit their needs. Homes between \$35,000 and \$125,000 would be the most affordable housing options for this age group (National Association of Realtors, 2015). This ties in well with the single family homes and townhomes that were recommended to be built in the City of New Richmond to prepare for the growth in population.

What the City of New Richmond can do to be better prepared for this possible future expansion, is examine what communities in the northeast segment of the Twin Cities are doing in response to the bridge construction. According to the Metropolitan Council of Minnesota and the Wisconsin Department of Administration, projected populations surrounding Ramsey and Hennepin counties

are anticipating an expansion effect. Keeping a close eye on communities such as, Stillwater, Oak Park Heights, and Bayport after the bridge construction and give the City of New Richmond much more information on how to plan for potential growth. Watching statistics such as population growth, business development, median household value, and age distribution in these Minnesota communities can show city officials in the City of New Richmond what specific part of the housing market is growing. If eastern Minnesota communities witness expansion in any specific housing type, the City of New Richmond can utilize that information for what types of homes they may need to develop in response to that growth.

These estimated growth projections made by the Wisconsin and Minnesota governments were conducted before the St. Croix River Crossing Bridge construction began. So communities such as Stillwater, Bayport, Somerset, and New Richmond may experience different rates of growth in the long run. After analyzing the City of New Richmond's current position as well as their future projections, I believe growth effects directly from the new bridge on the City of New Richmond will begin more in the long run, mainly after the year 2025. Reasons behind this pertain directly to the City of New Richmond's location. Following the bridge construction, residents in Minnesota will see an opportunity to relocate to a less densely populated area that is Wisconsin. At first it is believed that the nearest communities of Houlton and Somerset will experience the first signs of growth stemmed from the bridge. From there, the expansion effect will produce growth in communities beyond these such as New Richmond, Town of Richmond, and Burkhardt. Burkhardt was not mentioned in the analysis portion of the report due to its unincorporated status in St. Croix County. Nevertheless, even the smallest communities surrounding the new bridge will see some growth in the long run. As for the City of New Richmond, city administrators should plan for a normal growth rate in population and housing demand between 2015 and 2025. If growth patterns deviate from this normal growth rate by 2025, appropriate measures should be taken by the city in accordance with the 'Key Findings' from this analysis.

Appendix I

Interview Questions for Real Estate Agents

1. From your perspective, have you noticed any trends impacting the City of New Richmond's housing market?
 - a. What types of homes have you seen the greatest demand for in 2015? Least demand for in 2015?
 - b. Do you believe these trends will continue through 2017 when the bridge is set to be completed?
2. From your perspective, why are some of the homes in New Richmond vacant?
 - a. How do you perceive the vacancy rate will be affected by the bridge project?
 - i. Increase? Decrease? Stay the same?
3. Do you feel demand from low-income buyers could be improved with the help of better affordable housing policies?
 - a. Would more tax credits assist current and future home buyers?
 - b. What do you think the government can do to help low income families better afford homes in the City of New Richmond?
4. Is there a noticeable difference between customers who are looking to rent vs. buy a home?
 - a. With the completion of the new St. Croix River Crossing Bridge, does your business foresee a change in demand for your services?
 - b. How would you compare the affordability of New Richmond homes to other communities in St. Croix County?

Interview Answers from David Bracht – Property Executive Realty

1. Don't really keep track of trends; under \$200k is hot \$250k is not; price not going up too fast, but going up; slow in July n Dec
 - a. Single family homes under 175k; interest rates historically lowest
 - b. Single family homes still be hottest 200k maybe; bang for buck (sells better in WI) and safer
2. Primary reason is due to foreclosures
 - a. N/A
 - b. Perhaps improve USDA regulations, very few appear to qualify for assistance
3. David has seen a substantial increase in the number of people looking to rent a home compare to purchasing a home
 - a. Steady business growth, he made sure to note that his business thrives more from economic conditions rather than construction projects
 - b. Somerset is more expensive, Roberts very similar to New Richmond, Hudson holds highest costing

Interview Answers from Jim Moe – Westconsin Realty

1. No true notices on trends
 - a. Single Family homes are in highest demand
 - b. He believes this trend will continue
2. Vacancies occur due to typical reasons such as foreclosures and relocations

3. No assistance from government programs would truly affect customer's abilities to purchase homes
4. Jim Moe only experiences customers looking to purchase a home, he does not conduct business for rental properties
 - a. He foresees business improving steadily, but not due to the bridge

Appendix II

Interview Questions for Building Inspector

1. What information does the city have in regards to senior living or special assistance homes for New Richmond?
2. Are any developments currently under construction in anticipation of the new bridge?

Interview Answers for Sarah Skinner – Building Inspector

1. Currently New Richmond has the following senior housing options:
 - The Deerfield (senior apartments, assisted living, and nursing home)
 - Arthur Rose (private assisted living)
 - Our Family (private assisted living)
 - Boardman Meadow (senior apartments)
2. “We also have a 52-unit apartment building nearly completion. It is open to all however I am being told there has been a lot of interest in renting by seniors.”

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